

# Montgomery County Government **Local Small Business Reserve Program**

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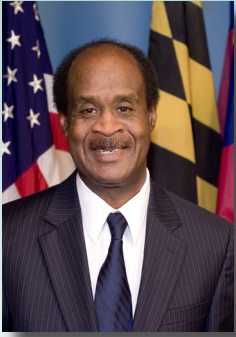


## FY 2011 ANNUAL REPORT

Department of General Services  
Office of Business Relations and Compliance



## Message from the County Executive



In Montgomery County, we've responded aggressively to the current economic downturn to maintain the vitality of our local economy. In December 2008, I announced economic stimulus measures that included 11 action items to sustain and enhance the viability of the business community. Nearly 95% of Montgomery County's companies are considered small businesses. Together, they are a strong and powerful engine that drives our economy. The newly enacted Local Small Business Reserve Program (LSBRP) is one measure that will keep our economic engine running. Under this program, Montgomery County's departments and agencies have made a commitment to allocate 20% of their purchases of goods and services for the small business community. Passage of the Local Small Business Reserve Program (Bill 3-09) was the result of cooperation between my office, members of the County Council and stakeholders in the business community. It is gratifying that through collaboration we have come together to take a positive step towards ensuring our economic security. Please take a few minutes to read the related information, and register if your business is eligible for the program.

## Message from the Director



Montgomery County is home to a robust local small business community that provides a wide array of goods and services to local residents, other businesses, and clients in the public sector, including the federal government. Over recent years, all businesses have experienced the severe impact of a slowed economy and prolonged recovery. This impact has been particularly acute on small businesses. Recognizing this, two years ago the County Executive initiated an economic assistance program directed at helping Montgomery County small businesses that included increasing the amount of contracting performed by the county government with the local small business community. Changes were made to the existing Local Small Business Reserve Program and clear direction was sent to county departments to think local when looking for contractual resources to meet county requirements. These measures provided great tools to the newly created Office of Business Relations and Compliance in building linkages between the business community and county departments.

I am pleased to note this FY2011 Annual Report for the Local Small Business Reserve Program reflects significant increases in the amount of County contract activity with local small businesses since FY2010, and dramatic increases since the program's inception in 2008. We look forward to continuing the success of the Local Small Business Reserve Program despite the current economic challenges. I invite you to read this report and forward your comments and questions to the Office of Business Relations staff at [obrc@montgomerycountymd.gov](mailto:obrc@montgomerycountymd.gov).

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## Executive Summary

This report describes the activities of Montgomery County's Local Small Business Reserve Program (LSBRP) in FY11, which marks the completion of the third year under LSBRP Bill 3-09 and Montgomery County Executive Regulation 2-09, introducing sweeping changes in the way Montgomery County does business with local small businesses. The LSBRP is managed by the Office of Business Relations and Compliance (OBRC) in the Department of General Services (DGS). OBRC initiatives in FY11 resulted in significant changes, including; improved business processes, migrating several manual systems into the county's new ERP system, implementing a web based system for processing LSBRP exemption requests, and enhancements implemented with the Central Vendor Registration System (CVRS) to make the registration and the certification and recertification processes easier for local businesses. A major burden was removed from departmental contract administrators when the OBRC assumed full responsibility for reconciling thousands of Purchase Orders, and assigned each to the correct exemption category. The use of automated system improved the ability to collect, tabulate and auto check data aided in accurate and usable report to date. Automation has reduced the workload previously performed by departmental contract administrators.

Montgomery County's Local Small Business Reserve Program is recognized as one of the best in the nation. Numerous requests for guidance in developing LSBRP programs have been received from jurisdictions, including the Maryland counties of Prince George's, Howard, Charles, and Baltimore and Monmouth County, New Jersey. Having seen the structure and success of Montgomery County's LSBRP, these municipalities see it as a model to follow when developing similar programs.

Throughout FY11 several Chambers of Commerce and business groups extended invitations for OBRC staff to address their organizations. Outreach and communications now include two weekly e-mailings to ensure local businesses are aware of contracting opportunities. Local businesses both large and small have voiced appreciation for the County's commitment to a business community that is robust, viable and growing.

The LSBRP FY11 business plan focused on three areas; increasing the number of solicitations reserved for the LSBRP, increasing the number of contracts awarded to LSBRP vendors and identifying the total dollars spent with LSBRP vendors regardless of the expenditure type. In order to achieve the reported results numerous process changes were implemented and new standard operating procedures (SOP) were put into practice.



*The economic crisis of the last several years has created a challenging environment both locally and nationwide. The LSBRP evens the playing field for local small businesses and provides an increased opportunity for growth and service to our home county. The online application is amazingly straight forward. We were awarded a contract in 2010, providing local people, with good jobs, making real contributions to our community. What LSBRP has done, is to create a cycle of growth that benefits small business, workers and ultimately the greater community.*

**Toby Studley** President  
SPS Consulting, LLC

### Formal and Informal Solicitations:

Formal solicitations are issued for goods, services and construction valued over \$100,000. Informal solicitations are for goods, services and construction valued from \$10,000 to \$100,000. The number of FY11 solicitations reserved for the LSBRP program increased significantly from 20 in FY09 to 73 in FY11 and a 52% increase from the 48 solicitations issued in FY10.

	FY09	FY10	FY11
LSBRP Reserved Solicitations Issued	20	48	73

### Contracts Awarded to LSBRP: \*

Montgomery County Executive Regulation 2-09 requires that County departments make at least 20% of eligible contract awards to qualified local small businesses.

The County has increased the percentage of participation in contracts with local small businesses each year since the legislation was enacted.

IN \$ VALUES	FY09	FY10	FY11
	Contract Value	Contract Value	Contract Value
Award to LSBRP	\$33,292,903	\$67,511,567	\$58,178,516
% of Eligible	14%	23%	36.5%

### Total Payments to LSBRP Vendor:

Total payments to LSBRP vendors represent payments from all sources; Purchase Orders (POs) which are generated from contracts awarded through both regular and LSBRP solicitations and Direct Purchase Orders (DPOs) \*\*

IN \$ VALUES	FY09	FY10	FY11
Total Spending to LSBRP	\$ 6,675,202	\$24,781,604	\$ 46,929,791

\*\* DPOs result from Direct Purchases made on the department level. A Direct Purchase is an informal procurement of goods, services, or construction under the direct authority of the Using Department Head, typically under \$10,000 each.



## Background

On December 18, 2008, the County Executive announced his “Eleven Point Package to Aid Businesses Caught in the Recession”. The plan’s goal was to ease the burden placed on local businesses suffering from the national economic down turn and to preserve jobs. The OBRC was charged with implementing 5 of the 11 responsibilities outlined in the plan:

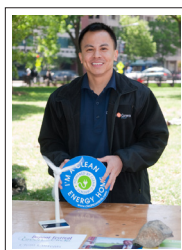
1. Increase gross annual sales with local businesses.
2. Double the departmental spending goal with local business from 10% to 20%
3. Create additional contracting opportunities for local vendors by unbundling large contracts into smaller multiple contracts for which local business could compete.
4. Create opportunities for small business to collaborate at Local Business Forums in order to facilitate joint venture opportunities for solicitations individually they could not respond.
5. Conduct business fairs for small businesses to learn from County’s representatives about upcoming opportunities and how to prepare for them.

All five of these goals were achieved in FY11.

## New Legislation

The accomplishments outlined in the report are the results of several initiatives to stimulate employment through local contracting. In FY09 a partial governmental reorganization was implemented creating the Department of General Services and the Office of Business Relations and Compliance. The County Executive and County Council enacted new legislation and Executive Regulations to expand the County’s ability to increase contracting with local businesses:

1. Local Small Business Reserve Bill #3-09 9 (April 28, 2009)  
***Established the DGS Director as the evaluator of a business’s capacity to contractually perform***
2. County Executive Regulation #2-09 (April 30, 2009)  
***Double the earning and employee thresholds for small businesses***
3. Contracts & Procurement Amendments Bill 45-09 (March 15, 2010)  
***Made it easier for small businesses to compete for contracts***
4. County Executive Regulation #19-09AM (April 1, 2010).  
***Revised Procurement Regulations***



*We’re thankful the County recognizes small businesses as a stabilizing force in the economy. We are proud to be a part of the Local Small Business Reserve Program (LSBRP).*

### **Ron Rodriguez**

Vice President, Business Development  
Clean Currents

## Eligibility Requirements

Montgomery County actively seeks local businesses to compete for contracting opportunities with the County through the Local Small Business Reserve Program. The County's commitment to maintain a viable and business friendly environment is clearly demonstrated through aggressive engagement and recruiting of eligible businesses and legislation that require a minimum of 20 percent of eligible purchases of goods, services and construction to be made with local small business. Businesses may participate in the program if they are independently owned and have an economic operational base in Montgomery County and meet the following sales or employee thresholds:

BUSINESS TYPE	EMPLOYEE LIMIT	OR	PRIOR THREE YEAR'S AVERAGE SALES	COMPLIANCE REQUIREMENTS
Retail	30		\$5 million	Living Wage, MFD
Wholesale	30		\$5 million	Living Wage, MFD
Service	50		\$5 million	Living Wage, MFD
Construction	50		\$14 million	Prevailing Wage
Manufacturing	40		\$14 million	Living Wage, MFD

## Innovative Practices

Montgomery County has been a pioneer among local municipalities with its Local Small Business Reserve Program. As referenced earlier, other municipalities view the program as a model for such local outreach efforts. The Department of General Service continues to improve business processes to better serve vendors, using departments, and the goals of the LSBPR program. The following are key improvements made in FY11:

1. **Automated LSBRP annual reporting tool:** Working with the Department of Technology Services, the system is now able to import data from the county's newly launched ERP system, interfacing with Procurement's Contract Database. Under this system, contract administrators need only review LSBRP transactions rather than having to manually input and resolve each transaction.
2. **Implemented on-line "LSBRP exemption requests":** Departments may now submit justification for exemptions on-line. When OBRC receives these requests, we use various tools such as web-based search engines, newsletters, and Department of Economic Development contacts and data bases to actively recruit eligible businesses to compete. This measure has significantly reduced the number of procurements classified as "No LSBRP vendors deemed qualified."
3. **Expanded use of the Montgomery County developed and NACo awarding winning Central Vendor Registration System (CVRS) for LSBRP registration, certification and reporting.**
4. **Hosted networking events:** Workshops and reverse trade shows held to prepare vendors for future contracting opportunities and get more access to purchasing staff in different county departments and other county agencies such as MCPS, HOC, etc.






5. **Met with Department Directors** and contract administrators to issue individual Memoranda of Understanding identifying each using departments' upcoming procurement opportunities. For example, OBRC has met with DGS and OHR directors and mapped out department purchasing requirements for 6-12 months in advance in order to recruit potential vendors and focus attention on how these requirements could be directed to LSBs.
6. **Created and regularly issued three different newsletters** increasing outreach and awareness of competitive opportunities.
  - **OBRC weekly newsletters** to all registered vendors, informing any active solicitations and upcoming networking events.
  - **LSBRP solicitation notification newsletters**, informing all LSBRP any active LSBRP solicitations.
  - **LSBRP future opportunity recruitment newsletters**, informing all LSBRP vendors of any upcoming solicitation scheduled by using departments. This newsletter has contributed greatly on reducing "No LSB vendors qualified" exemption category from 285 million in FY08 down to 23 million in FY11.

Examples of the newsletters:



Having trouble reading this email? [View it in your browser.](#)



**Local Small Business Contracting Opportunity**

**Solicitation Number: 1006177 - Maintenance and Repair of VMS Signboards and Radar Speed Trailers**

Montgomery County Government through the Office of Procurement has issued an LSBRP solicitation for Maintenance and Repair of VMS Signboards and Radar Speed Trailers. The closing date for this solicitation is **April 1, 2011, at 3:00 PM.**

Please contact Greg Dilla (240-773-0520) with questions or to receive a copy of the informals document(s).

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Kenneth Taylor, Jr.  
Manager  
Office of Business Relations and Compliance  
Department of General Services  
255 Rockville Pike, Suite 180  
Rockville, Maryland 20850

Additional information about the program can be obtained through the [LSBRP website](#).


You can also click on the link below for additional solicitations.  
[Office of Procurement-Formal & Informal Solicitations](#). Thank you for choosing the Local Small Business Reserve Program.

Please visit our [Facebook](#) page!

Office of Business Relations and Compliance  
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**Local Small Business Contracting Opportunity**

**Solicitation Number: 1005455 - Architectural/Engineering Services for Various County Facilities and Systems Projects: Design, Permitting and Construction Administration Services**

Montgomery County Government through the Office of Procurement has issued an LSBRP solicitation for Architectural/Engineering Services for Various County Facilities and Systems Projects: Design, Permitting and Construction Administration Services. The closing date for this solicitation is **April 22, 2011, at 3:00 PM.**

The scope of summary is as follows:

The County intends to use this solicitation to select, and enter into a Contract with, two (2) qualified Contractors to provide Architectural and Engineering Services for the design, permitting, and construction administration of new construction or renovation of various County facilities and systems, including but not limited to: office buildings, auto/ bus/ heavy equipment maintenance facilities and depots, liquor and general warehouses, transit centers, specialty projects, day care centers, health care centers, indoor and outdoor swimming pools, social services shelters and residential facilities, detention centers, site improvement projects, new and upgrade / modernization / renovation of various County facilities systems such as HVAC systems, life safety systems, power and emergency power systems, and indoor air quality improvement projects.

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Kenneth Taylor, Jr.  
Manager  
Office of Business Relations and Compliance  
Department of General Services  
255 Rockville Pike, Suite 180  
Rockville, Maryland 20850

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Please visit our [Facebook](#) page!

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# Process Review Implementations

## Technology Enhancements

In order to meet its responsibilities OBRC has embraced the efficiencies of technology to manage many of its processes. A close partnership with the Department of Technology Services has produced highly credible statistical data providing policy makers the information required to correctly determine the Program's future direction. DGS technical staff provided assistance in developing a web based program that tracks the number of "No local businesses deem qualified" waivers approved and disapproved. LSBRP Bill 3-09 placed the responsibility for approving the "No local businesses deem qualified" waiver with the Director of DGS; in doing so, the dollar value of waivers approved decreased by more \$222,000,000 in just three years. New compliance software is being installed with the assistance of ERP staff to track expenditures to subcontracted local businesses and nonprofit organizations as the County Council requested. The newly implemented systems will increase the creditability of CountyStat data relied upon to report on program performance.



**MONTGOMERY COUNTY DEPARTMENTS OF  
GENERAL SERVICES & ECONOMIC DEVELOPMENT**  
invite you to attend their **FREE** upcoming workshop

### Small Business Healthcare Legislation

*The latest information to help small businesses operate smoothly and profitably:*

- ✓ Small Business Healthcare Legislation
- ✓ Bonding Solutions
- ✓ Affordable Employee Health Plans

**GUEST SPEAKERS:**  
Andreas Dailey, President, Executive Insurance Benefits, LLC  
Sandy Walters, President, Kelly Administrative Services  
Karen Barbour, Founder, The Barbour Group, LLC

**Thursday, March 18, 2010**  
**7:30–9:30 a.m.**

at the Office of the Department of General Services  
101 Monroe St. ■ 9th Floor ■ Rockville, MD 20850

**FREE, advance registration required:**  
<http://tinyurl.com/yzuo7tw>  
If link does not work, please copy and paste the url into your browser.

For more information, please contact Dorothy Bell at 240-777-9947  
or Dorothy.Bell@montgomerycountymd.gov





**MONTGOMERY COUNTY DEPARTMENTS OF  
GENERAL SERVICES & ECONOMIC DEVELOPMENT**  
invite you to attend a **FREE** upcoming forum:

### Montgomery County's New Vegetative Roofing Program



The goal of the County's Capital Improvement Program is to design state-of-the-art green and sustainable facilities. Vegetative roofs are part of this expanded initiative.

More than four acres of vegetative roofing are currently planned for just one County facility and additional similar projects are in the pipeline. New County facilities will consider vegetative roofs, including Police Headquarters, the Liquor Control Warehouse, the Equipment and Maintenance Operations Center and Montgomery County Public Schools' facilities.

Vegetative roofs offer several benefits to the environment:

- improve air and water quality
- reduce HVAC cooling loads
- extend roof life
- reduce noise
- reduce heat island effect
- reduce storm water run-off

Montgomery County's agricultural, horticultural, and commercial waterproofing roofing business communities can benefit from participating in this program.

This forum will identify potential economic opportunities for several of Montgomery County's business communities.

These projects will require plants, media, soil, roofing and other construction materials. Other service requirements may include system design and engineering, installation of media and roofing, waterproofing, maintenance, cranes and services to convey media and custom blending of media.

Learn how you can be part of this innovative program.

**Wednesday, July 7, 2010**  
**10 a.m. – 12 noon**

Agricultural History Farm  
18410 Muncaster Rd. ■ Derwood, MD 20855  
(301) 590-2810 ■ (301) 590-9638

**FREE, advance registration required:**  
<http://vegetativeroofingprogram.eventbrite.com>

For more information, please contact Karina Peterson at  
240-777-9947 or Karina.Peterson@montgomerycountymd.gov



*As a resident of Montgomery County for more than 15 years and small Business owner since 2004, it is my hope that the LSBRP will continue to grow into a strong and viable organization that supports dedicated small business owners by helping create a fair and level playing field for capable small business.*

*I am pleased to see that the LSBRP is managed by independent spirits motivated to provide Montgomery County's small businesses community with the opportunity to deliver affordable, "no fail" services to the taxpayer.*

**Sarah Iranpour**  
President | CEO  
Technology Digest, Inc.

## Marketing and Outreach

Most socio-economic programs consist of several staff responsible for marketing, outreach compliance and other related functions. Peer jurisdictions typically employ 10 or more people to perform the activities of the OBRC. However budget and fiscal restraints prevent equivalent staffing in the OBRC. Nevertheless, OBRC staff continues to organize and host events, in collaboration with County departments and agencies, to promote County programs and requirements of interest to business and of benefit to the County and its residents.

Examples of OBRC-hosted events:

### Business Mentoring

Business owners visit the OBRC seeking business information on a number of topics. Most often businesses learn about the OBRC through presentations to civic groups, chambers, faith-based and other nonprofit organizations. The business community is often referred by County staff that has been approached by businesses seeking contracting opportunities. OBRC seeks to assist businesses in improving competitiveness on County contracts, or will refer them to Economic Development for general business development support. What is evident is that county small businesses see OBRC as an advocate and resource to the local business community.

### Wednesday Business Briefings

Wednesdays are reserved for individual meetings with business owners. A series of questions during the initial telephone request to schedule a meeting are used to gather data directly related to the business owner's interest. Very often contract administrators, purchasing specialist and subject matter experts will attend the meetings. This team approach to business meetings has proven to be extremely successful. The owner is provided the telephone numbers and email addresses of staff members for future contact.

### Coffee Shop Meetings

Many of business people prefer meeting the beginning of their business day. The Chambers of Commerce typically begin their meetings at 8:00 or 8:30 am. At other times many business people meet for coffee near their business or prior to appointments. OBRC-sponsored Coffee Shop meetings have proven to be very effective.



**nanadesign**



*Thanks to the Local Small Business Reserve Program, Nana Design is working with the Montgomery County Department of Environmental Protection to develop a Green Montgomery website. This site will be the first and only website where county residents can find comprehensive information on how to live a greener life in Montgomery County.*

*The Local Small Business Reserve Program has helped open doors to county projects. In addition to being awarded the Department of Environmental Protection website project, we are currently developing a proposal county agency project thanks to the reserve program.*

**Polina Pinchevsky**

President | Creative Director  
Nana Design

## Business Forums

The Department of General Services and Montgomery College hosted business forums in FY11. These forums bring together businesses to network and learn about the County's contracting procedures and opportunities. Businesses seeking contracting opportunities are invited to serve as panelists. The Department of General Services hosted one such business owner panel at which businesses presented their capabilities to representatives from the procurement offices of various county agencies under the County's "County Agency Resource Sharing" initiative.

## High Dollar Value Contracting

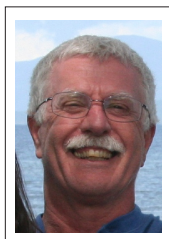
OBRC also targets higher dollar value contracting opportunities for LSBRP solicitations. As a result, solicitations and contracts awarded over one million dollars increased dramatically in the areas of environmental management, construction, architecture and engineering, specialized public safety equipment, temporary and administrative support to governmental agencies.

Unbundling of large volume contracts into multiple contracts for which local businesses can compete has also proven successful. The unbundling of two janitorial services contracts under a LSBRP solicitation issued in late FY11 will result in at least four local vendors providing the services starting in FY12. The practice of unbundling demolition, A&E and numerous construction trade related services from one general construction contract created millions of dollars in opportunities for many local vendors. The Office of Human Resources solicited and awarded contracts to three local businesses for services previously held by single national corporation for many years.

Other examples that demonstrate the willingness by County departments to take advantage of opportunities resulted in measurable outputs including:

1. More local small businesses functioning as prime contractors delivering higher dollar value goods, services and construction projects. (See table 3 for additional information.)
2. FY11 being the most productive LSBRP year yet for producing solicitations and awarding contracts to local vendors.
3. The 20% local spending mandate was exceeded.

Montgomery County is home to a robust community of highly qualified local small businesses with the skills, technology, resources and the ability to deliver many of the goods, services and construction projects required by the county government. Access to new opportunities through progressive legislation is important to increasing small businesses opportunities and local job creation.



*Participating in the Montgomery County Local Small Business Reserve Program has been instrumental in helping to grow our business over the last couple of years. We are able to compete on an even playing field for service contracts that are reserved for small businesses within the county and we have been fortunate to be awarded contracts to provide skilled resources to supplement the County's ERP implementation team.*

**Colin Dalzell**  
CEO | EEPEX Inc



## FY11 Accomplishments

1. Reduced the contracts dollars not awarded to LSBs from \$222,400,000 in FY09 to \$23,410,000 in FY11
2. Increased the total dollars spent with local businesses from \$6,675,202 in FY09 to \$46,929,791 in FY11
3. Increased the number of contracts awarded over \$100,000 from 17 in FY09 to 36 in FY11
4. Increased the total dollar value of contracts awarded over \$100,000 from \$32 million in FY09 to \$52 million in FY11
5. Increased the total number of LSBRP solicitations from 20 in FY09 to 73 in FY11 (number includes cancellations)
6. Increased the number of LSBRP solicitations reserved and awarded contracts from 14 in FY09 to 60 in FY11
7. Increased the total dollar value of contracts awarded to local businesses from \$33,292,903 in FY09 to \$58,178,516 in FY11
8. Eligible purchases from local businesses exceeded 20% for the first time
9. Twenty-one (21) county departments meet or exceed the 20% spending goal

## Next Steps

The Office of Business Relations and Compliance is always looking for ways to provide more opportunities for local small vendors to win business with the County. To that end, OBRC is pursuing these additional initiatives in FY12:

1. Consult with the business community to make registration, reporting and notification faster, easier and more user-friendly.
2. Together with Office of Procurement and the Department of Economic Development to host networking events and educational “How to” workshops for vendors on topics such as “How to write a successful proposal,” “How to be sure your bid is responsive and you are responsible,” “How to obtain bonding and insurance required for county contracts,” “How to understand County terms and conditions,” and other topics suggested by businesses.
3. For construction projects, promote LSBRP sub-contractor participation by:
  - a. Developing a series of contract schedules for commonly used commodities/services required on construction contracts that list LSBRP vendors as a reference for prime contractors to identify potential sub-contractors.
  - b. Add an LSBRP sub-contractor performance plan in construction solicitations for the prime contractor to submit.
4. Review the current Law and the Regulation with the intent to clarify current ambiguities and broaden opportunities to benefit local businesses prior to when the Law is currently scheduled to sunset on December 31, 2012.



# FY09 – FY11 Comparative Program Measures

## Contracts Awarded to LSBRP (Based on Contract Execution Date)

Contracts that are executed in FY11 totaled \$582 million. 36.5% of the eligible contracts were awarded to Local Small Businesses, totaling over \$58 million.

TABLE 1: Three Year Comparison of Contract Dollar Values Awarded to LSBRP Companies

Contract Dollar Values	FY09	FY10	FY11
Total Award	\$ 521,305,905	\$ 526,869,948	\$ 581,951,169
Eligible to LSBRP	\$ 235,562,986	\$ 295,663,286	\$ 159,134,688
Award to LSBRP	\$ 33,292,903	\$ 67,511,567	\$ 58,178,516
Percent eligible awarded	14%	23%	36.5%

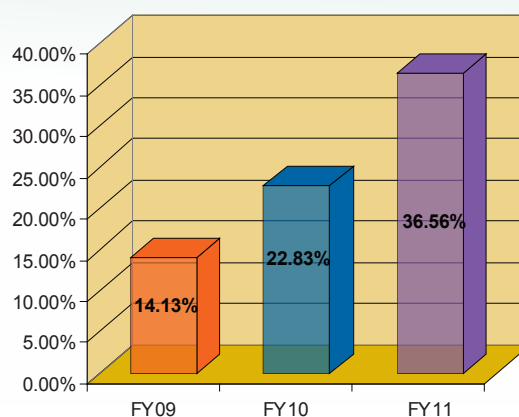


TABLE 2: Three Year Comparison of Number of Contract Awards to LSBRP Companies

Number of Contracts	FY09	FY10	FY11
Total Award	647	701	534
Eligible to LSBRP	637	684	519
Award to LSBRP	72	100	136
Percent eligible awarded	11%	15%	26%

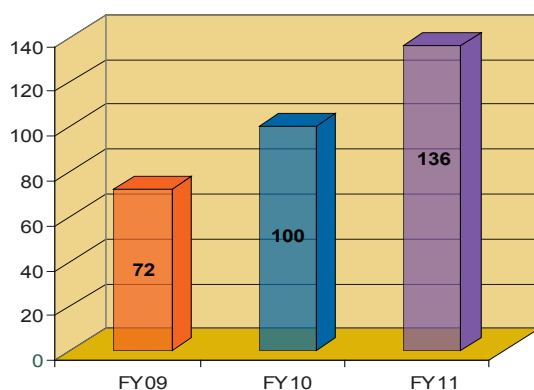


TABLE 3 - Major Contracts (over \$100,000) Awarded in FY11 to LSBRP

DEPT	CONTRACT DESCRIPTION	VENDOR NAME	ESTIMATE AMOUNT
DEP	Public Outreach & Education Services for Integrated Waste Management	Brotman-Witner-Fried Consulting, Inc	1,500,000
	Graphic Arts Services	Fitch & Company, Inc	120,000
DGS	Carpet and Carpet Tile, Installation and Repairs Services	Clover Carpet Company Inc	500,000
	Time and Material Custom Millwork Services	J Roland Corp	748,800
	T&M Carpentry and Painting for County Facilities	Colossal Contractor Inc	800,000
	T&M Masonry Services	Colossal Contractors, Inc	2,000,000
	Construct. Services for Various County Facility Projects	CDCI, Inc	5,000,000
	A/E Services for Design, Permitting & Construction Administration of Various County Facility Projects	Oudens & Knoop Architects PC	10,000,000
	A/E Services for Design, Permitting & Construction Administration of Various County Facility Projects	Nuray O. Anahtar, AIA d/b/a NOA	10,000,000
	Provides courier delivery services.	J & M Delivery Services, Inc.	120,129
	Grounds Maintenance Services for Recreation Facilities	Julio A Ortiz t/a Kiaras Landscaping Company	263,076
	Aftermarket Automotive Parts	Looper Servicenter, Inc.	400,000
	Assistance with Acquisition and Property Management of Affordable Housing for Adults with Disabilities and Administration of the Community Housing Development Organization operating Funds Under the Home Investments Partnership Program	Housing Unlimited, Inc	102,920
DHCA	Arliss Street Streetscape	Highway & Safety Services, Inc	248,791
DOT	Bus Stop Inventory and Monitoring Services	KFH Group Inc	730,340
	Traffic Control Devices and Flaggers	Highway and Safety Services, Inc	747,245
	Traffic Surveillance Airplane Lease	Brandebury Tool Co, Inc.	876,000
	Painting - County Wide VI, Shady Grove Bridge No. M-191-3,4 and Spring Street Bridge No. M0078	Ardent Company, LLC	1,076,480
	Pay-By-Cell Phone Parking Services	MOBILENOW LLC	1,250,000
	Seasonal Laborers - Groups I and III	Earn Contractors, Inc	1,318,032
	Web Related Technology Services and Support	Network Engineering & Resources Development	1,500,000
	Seasonal Laborers - Groups II, IV and V	Colossal Contractors, Inc	1,663,200
DOT	Rental of Construction Equipment	United Rentals, Inc	300,000
FIN	Printing and Mailing of Property Tax Bills, Pamphlets and Envelopes	Formost Graphic Comm Inc	165,095
FRS	Globe G-Xtreme Personal Protective Ensemble Garments	Maryland Fire Equipment Corporation	3,739,045
OHR	Temporary Clerical and Administrative Support Services	SPS Consulting LLC	1,666,667
	Temporary Clerical and Administrative Support Services	BPX Technologies, Inc	1,666,667
	Temporary Clerical and Administrative Support Services	1st Choice Staffing, LLC	1,666,667
POL	multi-agency uniform tailoring and alteration	Hector the Designer Inc	110,000
	Multi-Agency Uniform Apparel Tailoring and Alteration	8517 Oakmont LLC	120,000
REC	REC OPEN Recreation Aquatic Instructor	Montgomery Stroke Turn	600,000
	REC OPEN Recreation Aquatic Instructor	Maneth Gravell	100,000
	Provides custodial services for the Germantown Indoor Swim Center.	Professional Hispanic Contractors	102,000
	REC OPEN Recreation Instructor	Geiza Dourado Carvalho	200,000
	REC OPEN Recreation Aquatic Instructor	Premeir Swim Inc	300,000

## Solicitations Issued in FY11: (Based on Solicitation posting date)

### Number of Formal and Informal Solicitations **ISSUED** to LSBRP

	FY09	FY10	FY11
Formal Solicitation	16	35	51
Informal Solicitation	4	13	22
<b>TOTAL</b>	<b>20</b>	<b>48</b>	<b>73</b>

### Number of Issued Formal and Informal Solicitations subsequently **CANCELED**

	FY09	FY10	FY11
Formal Solicitation	6	19*	13**
Informal Solicitation	0	0	0
<b>TOTAL</b>	<b>6</b>	<b>19</b>	<b>13</b>

Solicitations may be cancelled due to; (1) a lack of response, (2) if the bidders or offerors responding are subsequently found to be unqualified to perform the work, (3) if responding companies are found to not meet the eligibility requirements, (4) bids or proposals are withdrawn leaving no eligible bidders, or (5) the department cancels due to a lack of funds or the termination of the original requirement.

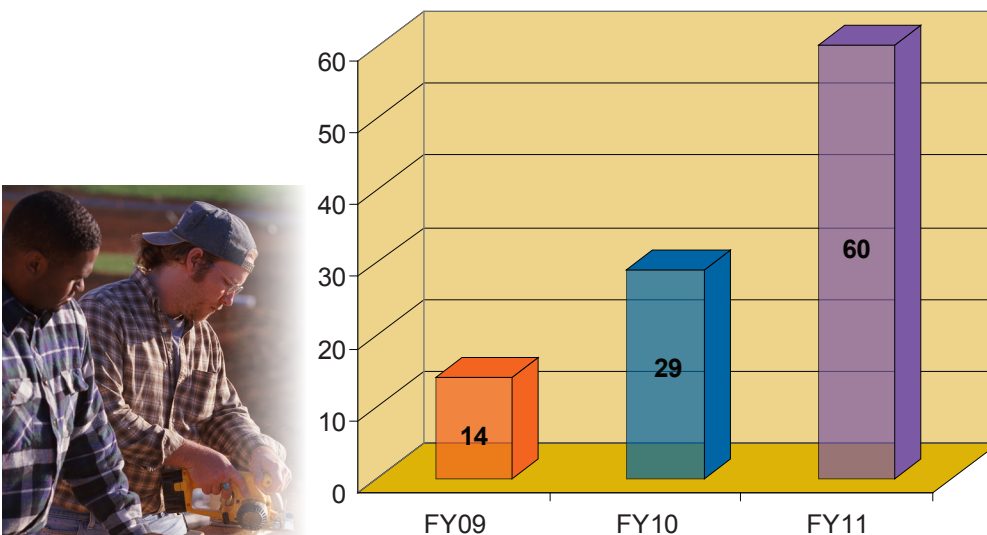
### Number of Formal and Informal Solicitations **RESERVED AND AWARDED** to LSBRP

	FY09	FY10	FY11
Formal Solicitation	10	16	38
Informal Solicitation	4	13	22
<b>TOTAL</b>	<b>14</b>	<b>29</b>	<b>60</b>

\*One solicitation may generate multiple contracts.

\*\*There may be up to 6 month on the date a solicitation is issued and the date a contract is executed.

FIGURE 4: Three Year Comparison of Solicitations Reserved and Awarded to LSBRP



In FY11, solicitations reserved and awarded to LSB vendors have more than doubled from FY10. This increase is attributed to improved work flow in procurement process and FY09 legislation that required the Director of the Department of General Services to approve all exemption requests under the category "No LSBRP vendor deemed qualified."



## Procurement Spending (PO/DPOs) in FY11:

(based on PO/DPO approval date)

This section of the Report deals with payments made to local small businesses, which differs from earlier sections that reference contract awards that may cover multiple years. OBRC tracks both categories recognizing that payments for work performed typically lag behind contract awards by 6 to 12 months. The following performance indicators reflect both transaction activity as well as payments to businesses.

TABLE 4: Three Year Comparison on Eligible LSBRP Expenditure

PROCUREMENT EXPENDITURES, FY09-FY11						
	FY09		FY10		FY11	
Exemption Categories	\$ in millions	Percentage	\$ in millions	Percentage	\$ in millions	Percentage
Total Procurement Dollar	\$977.9		\$973.96		\$1,050.69	
Eligible for LSBRP Procurement	\$40.2	4.1%	\$85.8	8.8%	\$39.48	3.7%
Procurement Expenditure to LSBRP	\$6.7	16.6%*	\$12.7	14.8%	\$8.0	20.3%

\*The FY09 goal was 10%.

The “eligible” spending against which annual performance is measured, resulting in FY11 performance of 20.3%, is based on the portion of solicitations awarded to LSBRP vendors out of all eligible solicitations, the balance of which are considered open to non-LSBRP businesses.

### A Closer Look at Exempted LSBRP Spending

FY11 is the first year data was collected through the County’s new ERP system. In previous years collected payment data included data from separate systems tracking Purchase Orders (PO), Direct Vouchers (DV) and Vouchers (VC). In FY11, the payment data includes PO and Direct Purchase Orders (DPO) approved.

Highlighted in table 5 are categories significantly impacting the overall availability of annual contracting dollars to local small businesses, or any other businesses; (1) Pre-existing Contract and (2) Procurements exceeding \$10M.

**Pre-existing Contract** (highlighted in YELLOW in Table 5) - Many County contracts are for terms that exceed a single 12-month period and often extend for three to five years. Therefore, a contract awarded this year and reflected in the award statistics reported earlier, will remove from the competitive pool the annual expenditures available for open competition as long as that contract term is in force. In FY11 this “pre-existing contract” category accounted almost 32% of contract expenditures.

**Procurements exceeding \$10M** (highlighted in GRAY in Table 5) – legislation creating the LSBRP initiative presumes that all contracts valued under \$10M will be reserved for competition among local small businesses unless other exemption criteria apply. This is also the County contract award threshold over which a business no longer qualifies to be considered “small.” In FY11 the County awarded a number of large construction contracts valued far in excess of \$10M. As a result this category accounted for almost 58% of all contracting dollars awarded in FY11.



These two categories combined for \$869.7M or 80.45% of all LSBRP exemptions in FY11. This spending distribution is further illustrated in the following tables.

Besides the two categories of Pre-existing Contracts and Procurements Exceeding \$10M, another \$78.8M in exemptions (highlighted in GREEN in Table 5) were for contracts in which no competition was possible since the contracts were with other public entities or were directed to specific companies because of grant requirements or were non-competitive awards.

TABLE 5: Detail Contracts Exempted from LSBRP Procurement

EXEMPT CONTRACT EXPENDITURES, FY09-FY11						
	FY09		FY10		FY11	
Exemption Categories	\$ in millions	%	\$ in millions	%	\$ in millions	%
Chief Administrative Officer Waiver	\$1.50	0.15%	\$3.90	0.46%	\$0.30	0.03%
Conflicts with law or grant	\$48.00	5.00%	\$25.20	2.95%	\$13.00	1.34%
Public or Emergency Procurement	\$75.60	7.87%	\$45.70	5.35%	\$43.50	4.47%
Non-competitive contract	\$104.80	10.92%	\$100.50	11.77%	\$22.30	2.30%
Pre-existing Contract	\$224.60	23.40%	\$493.60	57.81%	\$307.80	31.66%
Procurement Exceeds \$10 million	\$242.70	25.29%	\$73.80	8.64%	\$561.90	57.79%
No LSBRP vendor deemed qualified	\$222.40	23.17%	\$111.20	13.02%	\$23.40	2.41%
TOTAL	\$919.50	100%	\$853.90	100%	\$972.30	100%

In FY11, OBRC introduced an online form that Contract Administrators would use to submit “LSBRP exemption request.” This heightened level of accountability contributed to the large decrease in the “No LSBRP vendor deemed qualified.” Following procedures implemented in late FY10, when a department submits a request with “No-LSBRP vendor deemed qualified,” OBRC staff conducts an “Active Recruiting” by sending out email notifications to registered businesses as well as businesses identified by chambers of commerce, Economic Development records, and Internet searches in an effort to encourage business’ participation in the procurement. Following this procedure, the value of exemptions taken under this exemption category dropped from over \$285 million (33%) in FY08 to \$23.4 million (2%) in FY11. (See Table 5 above and the following Figures 6 and 7 comparing FY11 results with FY08 figures when the LSBRP program completed its first year.)



*I had been the Senior Procurement Executive for 25 years with various federal agencies, and I would have given anything to have the web based support systems that your office possesses. The ability to see pending solicitations and expiring contracts is a tremendous value for small businesses that cannot afford sophisticated business development efforts.*

**Bill Campbell**  
Principal  
TFC Consulting, Inc.

## FY08 and FY11 Exemption Details

Figure 6: FY11 Exempted Expenditure Breakdown

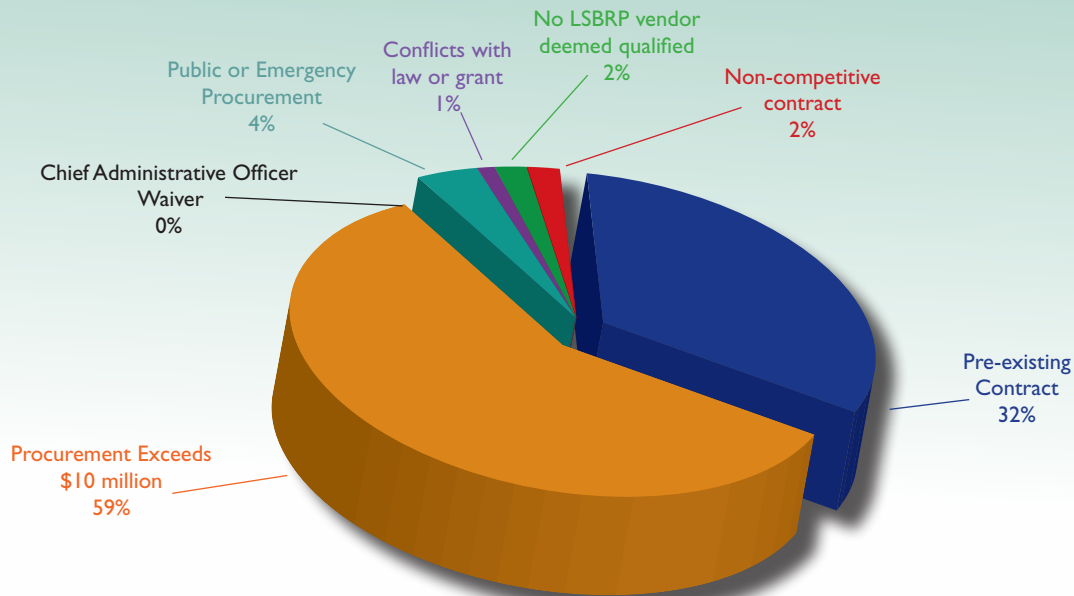
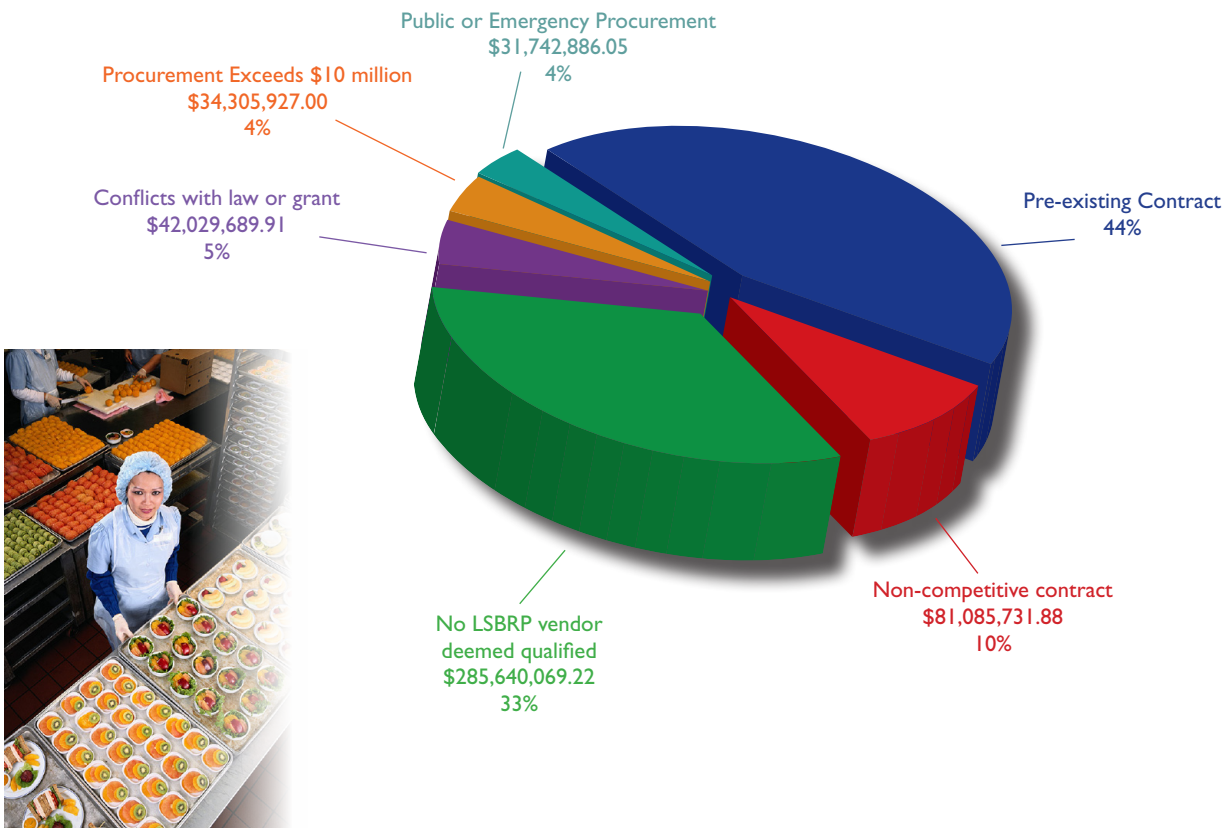


Figure 7: FY08 Exempted Expenditure Breakdown



A total of \$102.2M of the County's FY11 competitive contract opportunities (highlighted in YELLOW in Table 6) could be considered available for LSBRP competition. These are opportunities in which it would be reasonably assumed that sufficient competition exists to support a competitive solicitation under the LSBRP as program enrollment increases and resources can be further devoted to identifying companies qualified to meet County requirements.

TABLE 6: FY11 Procurement Expenditures Summary

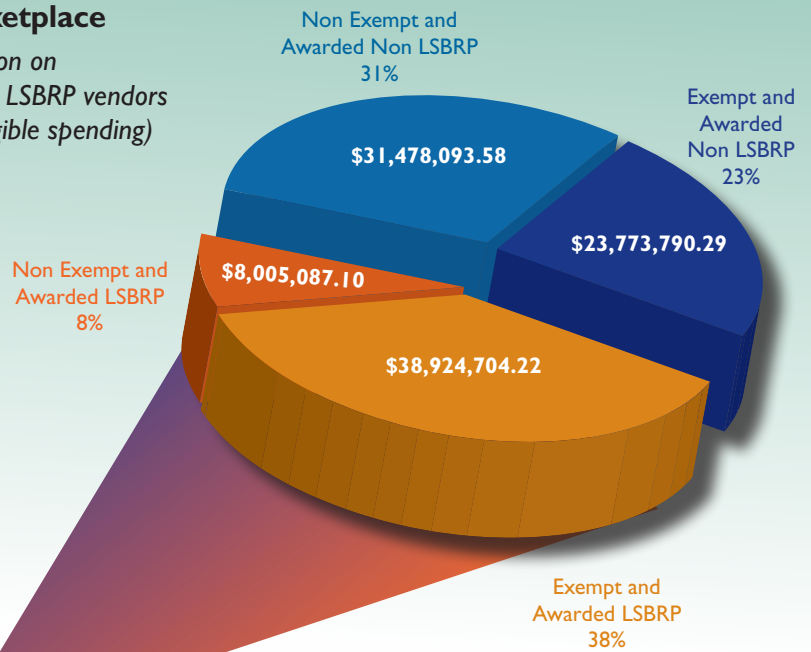
CATEGORIES			# OF PO	\$ AMOUNT VALUE	SUB TOTAL		
Not Ex-empted	Non exempt & Awarded non LSBRP	Advertised LSBRP, but Re-advertised Open Solicitation	6	\$1,088,699.97	\$31,478,093.58		
		Non exempt and Awarded non LSBRP	2921	\$30,389,393.61			
	Non exempt & Awarded LSBRP	Non exempt but Awarded LSBRP	305	\$4,531,684.02	\$8,005,087.10	\$39,483,180.68	
		Advertised LSBRP Solicitation and Awarded LSBRP	98	\$3,473,403.08			
Exempted from LSBRP	Exempt & Awarded LSBRP	N/A	25	\$1,256,535.65	\$38,924,704.22		\$46,929,791.32*
		Non-competitive contract	3	\$156,750.00			
		Pre-existing Contract	481	\$25,345,951.51			
		Procurement Exceeds \$10 million	39	\$12,165,467.06			
	Exempt & Awarded non LSBRP	Chief Administrative Officer (CAO) Waiver	5	\$332,211.00	\$972,277,687.35	\$1,011,202,391.57	
		Conflicts with State, federal, or local law or grant requirement	121	\$13,040,857.81			
		No LSBRP vendor deemed qualified by Using Department	627	\$23,441,579.29			
		Non-competitive contract	190	\$22,343,908.99			
		Pre-existing Contract	3019	\$307,792,585.97			
		Procurement Exceeds \$10 million	283	\$561,853,863.71			
		Public Entity or Emergency Procurement	40	\$43,472,680.58			
		TOTAL			\$1,050,685,572.25		

\* Shows all expenditure towards LSBRP vendors



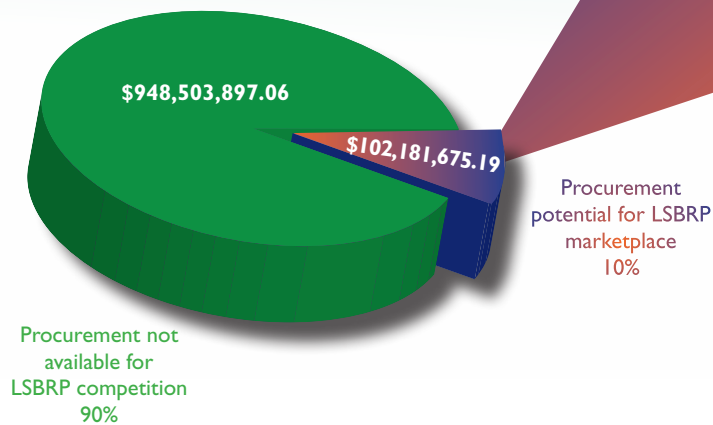
## Potential LSBRP Marketplace

FIGURE 8: 3 year comparison on Procurement expenditures to LSBRP vendors (includes eligible and non-eligible spending)



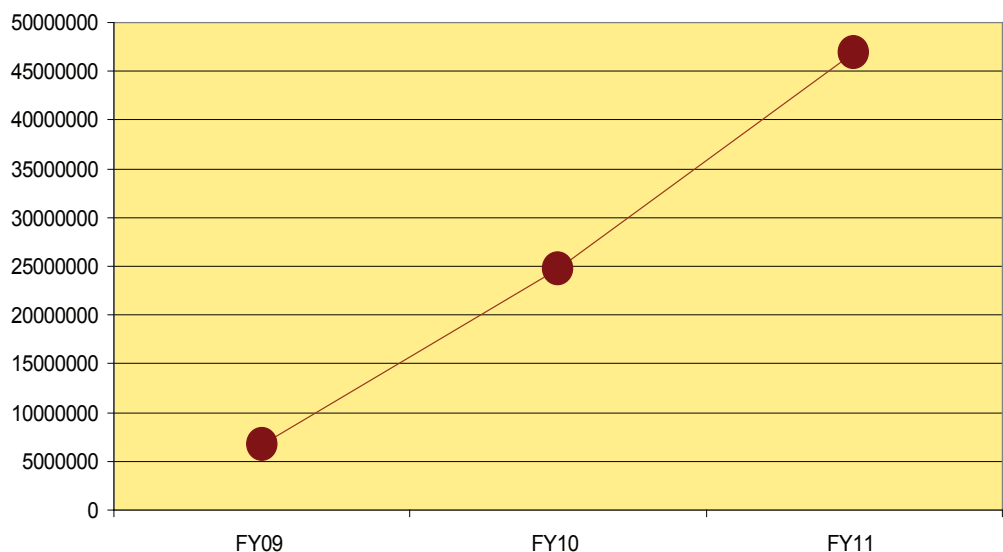
## FY11 Procurement Expenditure

FIGURE 9: FY11 Procurement Expenditure available to LSB competition



As illustrated in Figure 9, of the \$102.2M potential LSBRP opportunities, \$46.9M, or 45.9%, was awarded to local small businesses.

## Total Spending to LSBRP



## LSBRP expenditure by Department

More departments have meet their annual 20% goal in FY11

TABLE 7: Department spending towards LSBRP vendors

DEPARTMENT	LSBRP SPENDING	%
Board of Investment TrusteesTop of Form	\$ 506,670	7%
Board of Supervisors of ElectionsTop of Form	\$ 5,997	1%
Office of The County ExecutiveTop of Form	\$ 26,914	46%
Circuit Court	\$ 90,798	44%
Department of Fire/Rescue ServicesTop of Form	\$ 110,106	91%
Department of Economic DevelopmentTop of Form	\$ 22,956	29%
Department of FinanceTop of Form	\$ 1,193,418	94%
Office of the County Council	\$ 93,947	92%
Department of Environmental Protection	\$ 4,004,193	90%
Department of Housing & Community Affairs	\$ 755,014	82%
Office of Human Resources	\$ 98,286	50%
Department of General Services	\$ 17,986,528	86%
Department of Correction & Rehabilitation Services	\$ 597,940	34%
Department of Recreation	\$ 450,002	55%
Office of Public Information	\$ 226,180	98%
Office of Management & Budget	\$ 18,553	40%
Department of Police	\$ 1,360,053	32%
Department of Transportation	\$ 13,755,430	62%
Office of the County Sheriff	\$ 241,800	99%
Department of Liquor Control	\$ 1,140,158	85%
Regional Services Centers	\$ 24,008	13%
Department of Health & Human Services	\$ 3,491,240	38%
Department of Public Libraries	\$ 31,462	40%
Department of Technology Services	\$ 697,836	42%
<b>TOTAL</b>	<b>\$ 46,929,791</b>	<b>100.0%</b>

## Departments Compliance with LSBRP Requirements, FY09-FY11

TABLE 8: Number of Departments that meet/do not meet the 20% goal

	FY09	FY10	FY11
# of Depts that meet requirement	19	16	21
# of Depts that do not meet requirement	4	6	3
<b>TOTAL</b>	<b>23</b>	<b>22</b>	<b>24</b>



*The LSBRP provides many opportunities for local businesses to connect directly with the County as prime contractors. The newly enacted LSBRP legislation established a local spending goal of 20% for County departments and agencies.*



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